

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

**ATTORNEY AND FINANCIAL OFFICER PLEAD GUILTY
IN SCHEME TO DEFRAUD CLIENTS AND FINANCIAL INSTITUTIONS**

NEWS RELEASE SUMMARY - September 25, 2006

United States Attorney Carol C. Lam announced that attorney Michael Robert Suverkubbe, formerly a criminal investigator with the Internal Revenue Service, and Wendy Lee Hixson pled guilty today in federal court in San Diego to fraud and money laundering charges before United States District Judge Thomas J. Whelan relating to their participation in a scheme to defraud clients of Suverkubbe's law firm and two federally-insured financial institutions.

According to the plea agreement and court records, prior to July 2004, Suverkubbe and Hixson were associated with xélan, Inc. (The Economic Association of Healthcare Professionals), a financial and tax planning firm that specialized in "tax strategies" for its members. After July 2004, Suverkubbe severed his relationship with xélan, formed his own law firm, and hired Hixson to be his Chief Financial Officer.

Suverkrubbe and Hixson admitted to defrauding former xélan clients and financial institutions in the following three ways. First, Suverkrubbe and Hixson made false and misleading representations concerning distributions the clients would be receiving from Doctors Benefit Insurance Company (“DBIC”), a xélan affiliated entity. Specifically, Suverkrubbe and Hixson admitted that they falsely represented that 8% of the clients’ distributions were required by law to be placed in an Interest on Lawyers Trust Account and were only to be used for legal expenses. Instead, Suverkrubbe and Hixson converted these funds to their own personal use. In order to conceal the conversion of client funds, Suverkrubbe and Hixson caused fraudulent bank statements to be sent to the clients showing that the funds were still on deposit.

Second, Suverkrubbe and Hixson admitted to defrauding Union Bank of California by depositing a stolen and altered check into a bank account created in a fictitious business name and then using those funds to pay the mortgage on Suverkrubbe’s personal residence and the office rent for Suverkrubbe’s law firm.

Third, Suverkrubbe and Hixson admitted to defrauding Wells Fargo Bank by depositing checks drawn on Suverkrubbe’s law firm account into Hixson’s personal bank account knowing that there were insufficient funds in the law firm account to cover the checks and then using those funds for Suverkrubbe and Hixson’s personal benefit.

United States Attorney Lam said, "When an attorney steals from his own clients, he not only breaks the law, but he violates one of the sacred tenets of the legal profession."

This case is the result of an investigation by the Federal Bureau of Investigation-San Diego Division, the Internal Revenue Service-Criminal Investigation, and the United States Postal Inspection Service.

FBI Special Agent in Charge Daniel R. Dzwilewski commented, "White collar crime undermines the trust on which the U.S. economy rests. When that crime involves a former law enforcement officer, it is especially deplorable. The FBI is committed to pursuing those involved in such illegal activities."

"In his capacity as a licensed, practicing attorney, Mr. Suverkrubbe failed to meet the high standards of ethics and integrity that was expected of his profession. Instead of providing clients with sound financial planning strategies, he, along with Ms. Hixson, masterminded a scheme to intentionally defraud their clients

and used these funds for their own financial gain. This investigation successfully uncovered a scheme of fraud and deceit and ascertained the true harm to clients, the banking system, and the government. IRS Special Agents will go to great lengths to utilize their financial expertise and unravel complex financial and money laundering schemes that pose an economic threat to the financial well being of individuals," said Kenneth J. Hines, Special Agent in Charge, San Diego Field Office, Internal Revenue Service - Criminal Investigation.

Sentencing is scheduled for December 12, 2006, at 9:00 a.m. before United States District Judge Thomas J. Whelan.

DEFENDANTS

Case Number: 06-CR-1262-W

Michael Robert Suverkrubbe

Wendy Lee Hixson

SUMMARY OF CHARGES

Conspiracy (Title 18 United States Code, Section 371)

Maximum punishment of 5 years' imprisonment, a fine of \$250,000, and three years supervised release.

Money Laundering (Title 18 United States Code, Section 1957)

Maximum punishment of 10 years' imprisonment, a fine of \$250,000, and three years supervised release.

AGENCIES

Federal Bureau of Investigation

United States Postal Inspection Service

Internal Revenue Service - Criminal Investigation